

Probability Weighted After Tax Net Present Value Analysis

Confidential Treatment Requested by Continental Minerals Corporation Table 1

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
Attachment	NPV (USD)	exchange rate	NPV (Cdn\$ equivalent)	% acquired via merger	Cdn\$ NPV 40% equivalent	Risk factor	Cdn\$ NPV 40% equivalent - risk adjusted	% likelihood	Cdn \$NPV 40% equivalent - risk adjusted and probability weighted
Scenario 1		1.1236		40%		12%		24.750%	
Scenario 2		1.1236		40%		12%		24.750%	
Scenario 3		1.1236		40%		12%		24.750%	
Scenario 4		1.1236		40%		12%		24.750%	
Scenario 5		1.1236		40%				1.000%	
Total									
Value assigned to Xietongmen Property - per pro forma financial statements									
Value assigned to Surrounding Properties - per pro forma financial statements									
Total value assigned to properties, per pro forma financial statements (excluding FIT)									

Index:

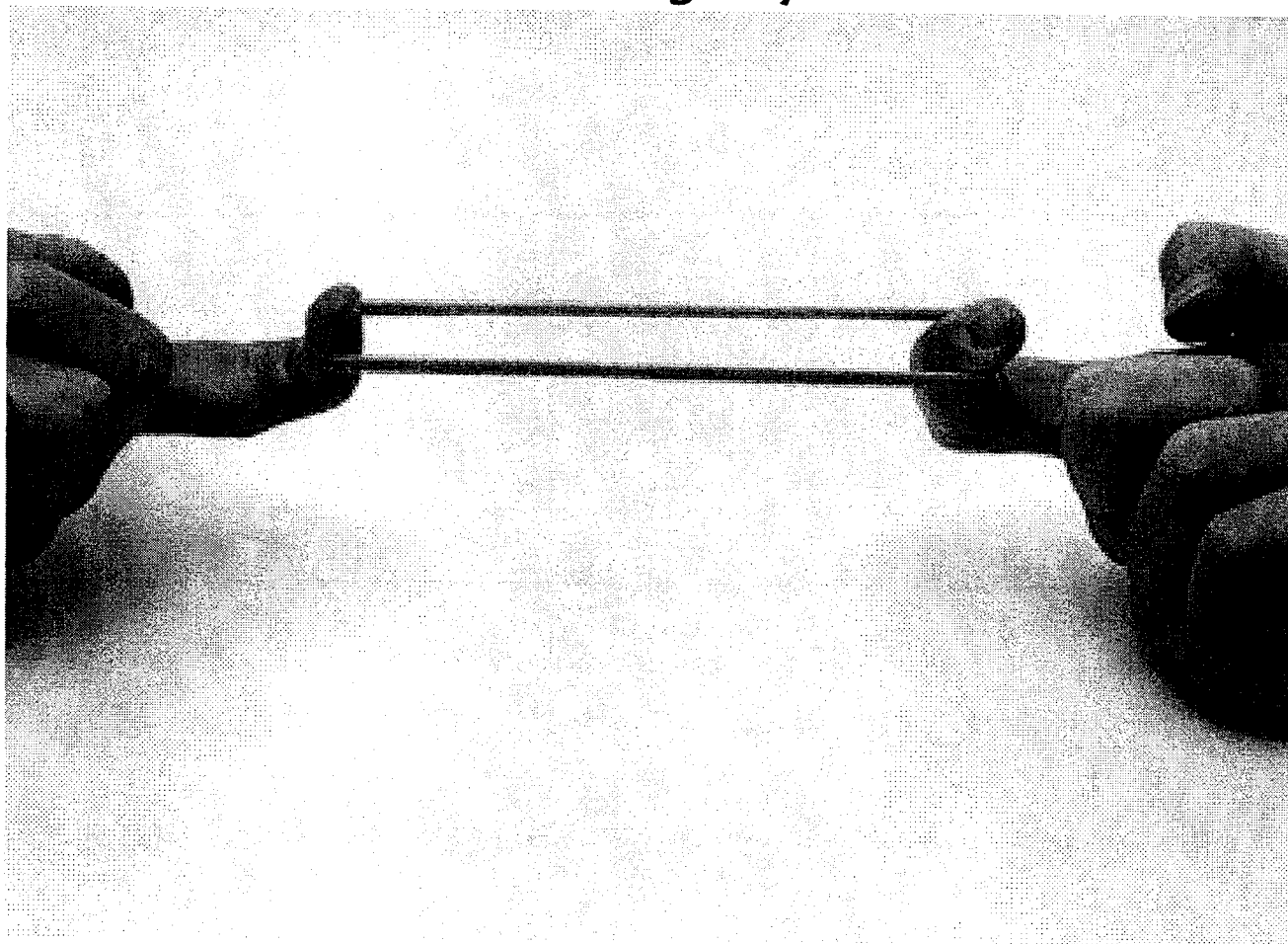
Scenario 1	This set of assumptions uses \$450/ounce of Gold; \$7/ounce of Silver and \$1.25/lb of copper
Scenario 2	This set of assumptions is based upon market mineral prices as of June 30, 2006, namely \$613/ounce of Gold; \$10.91/ounce of Silver and \$3.46/lb of copper
Scenario 3	This set of assumptions uses the historical 10 year averages of \$348/ounce of Gold; \$5.63/ounce of Silver and \$1.04/lb of copper
Scenario 4	This set of assumptions uses the forecasted mineral prices of \$509/ounce of Gold; \$9.7/ounce of Silver and \$1.40/lb of copper
Scenario 5	This assumes that the project will be abandoned before contruction of the mine commenced.
Note:	NPV calculations assume [Confidential Treatment requested by Continental Minerals Corporation] million tonnes will be mined *

Important Information for Readers

This information has been prepared, together with previous related information, for a limited specific purpose in connection with communicating certain internal Continental analyses to securities regulatory authorities. It is not intended to constitute a preliminary (economic) assessment of the Xietongmen Property or surrounding properties as contemplated by Canadian regulatory policy NI 43-101 which governs standards of disclosure for mineral projects for public companies in Canada. The analysis is not only prepared for a specific purpose but it is preliminary in nature and relies in part upon inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and hence there is no certainty that the estimated values and conclusions of this analysis will be realized in whole or in part.

Continental expects that it will in due course prepare one or more technical reports which are compliant with NI 43-101, one or more of which may contain a preliminary assessment as contemplated by policy NI 43-101. Such compliant reports may come to wholly different conclusions about the economics and value of the properties than those implied by this analysis. Accordingly, the analysis herein should not be relied upon by investors or others and is filed for securities regulatory purposes only.

Metals markets: tightly stretched



Barclays Capital Commodities Research

October 2006

The outlook: upside price risk exists even in a slower growth environment

- Metals markets have proved immune to the growth concerns that have impacted negatively on prices in other commodity markets recently. Extremely tight fundamentals have supported prices and as pessimism on growth eases, the prospect is for metals prices to move higher once again.
- Underlying demand conditions in most markets remains good with strong demand from metals using sectors such as the steel industry, commercial construction and infrastructure building.
- In general, mine supply continues to underperform relative to expectations. Raw materials markets for metals remain tight, with some exceptions, notably in the alumina market, which has weakened significantly of late.
- Inventory levels are low and still falling, so the markets are extremely vulnerable to supply disruptions or stronger-than-expected demand. Copper in particular could be subject to further supply losses with a number of labour negotiations scheduled for the fourth quarter.
- In terms of short-term upside price potential over the next 3-9 months we favour the copper, nickel and zinc markets.
- Further ahead, nickel supply constraints appear extremely tight, whilst sharply rising power costs and a slowdown in the rate of Chinese production growth suggest the aluminium market also faces supply constraints further down the line.
- A move up in long-term metals demand growth rates, plus rising costs of production means that consumers will have to get used to long-term average prices for most industrial metals that will be a lot higher than in the past.

Consensus forecasts of long-term metals prices are moving up

Consensus forecasts for long-term metals prices (defined as a price that should be used for long-term mine-project evaluation) are inherently conservative but have moved up significantly over the past three years with the largest increases in platinum, silver & copper prices. Long-term projections for aluminium and tin prices have moved up much less.

	<u>Historical</u>	<u>Consensus Forecasts</u>		<u>Change from</u>
	<u>10-Year Avge.</u>	<u>Current</u>	<u>2003</u>	<u>2003 Forecast</u>
Platinum (\$/oz)	589	906	450	101%
Silver (\$/oz)	5.63	9.7	4.9	98%
Copper (\$/t)	2291	3086	1874	65%
Gold (\$/oz)	348	509	320	59%
Nickel (\$/t)	8915	9920	6614	50%
Zinc (\$/t)	1133	1323	1058	25%
Lead (\$/t)	643	639	530	21%
Aluminium (\$/t)	1570	1807	1500	20%
Tin (\$/t)	5853	6084	5246	16%
Palladium (\$/oz)	322	307	300	2%

Source: PricewaterhouseCoopers' quarterly survey of analysts

Annual average price forecasts

		2002	2003	2004	2005	2006E	2007E	2008E
Base Metals								
Aluminium	US\$/t	1,350	1,431	1,716	1,900	2,563	2,738	2,569
	USc/lb	61.2	64.9	77.8	86.2	116.2	124.2	116.5
Copper	US\$/t	1,558	1,778	2,865	3,682	6,960	7,725	6,425
	USc/lb	70.7	80.7	129.9	167.0	315.7	350.4	291.4
Lead	US\$/t	453	515	886	977	1,237	1,455	1,244
	USc/lb	20.5	23.4	40.2	44.3	56.1	66.0	56.4
Nickel	US\$/t	6,763	9,637	13,846	14,750	23,874	30,375	25,188
	USc/lb	306.8	437.1	628.0	669.0	1,082.9	1,377.8	1,142.5
Tin	US\$/t	4,057	4,894	8,484	7,375	8,374	8,800	8,100
	USc/lb	184.0	222.0	384.8	334.5	379.8	399.2	367.4
Zinc	US\$/t	778	828	1,049	1,383	3,076	3,125	2,425
	USc/lb	35.3	37.5	47.6	62.7	139.5	141.7	110.0
Base Metal Index^		63.9	74.7	107.1	121.7	198.3	223.6	191.3
Precious Metals								
Gold	US\$/oz	310	364	410	445	606	600	525
Platinum	US\$/oz	539	692	844	896	1,158	1,183	1,105
Palladium	US\$/oz	337	200	229	202	322	318	318
Energy								
WTI	US\$/bbl	26.1	31.0	41.5	56.7	69.2	76.6	67.3
Brent	US\$/bbl	25.0	28.5	38.0	55.1	68.6	75.3	66.2
US Natural Gas	US\$/mmbtu	3.4	5.5	6.2	9.0	6.9	9.2	8.5

Source: Datastream, Barclays Capital. ^Economist Intelligence Unit weight

Data Sources

Data, unless otherwise stated, from the following sources: Ecwin, Reuters, Bloomberg, MTN-I, CFTC, IEA, EIA, Platts, EMC, DOE, BP, OPEC Secretariat, CRU, Brook Hunt, GFMS, USDA.

Disclaimer

For disclosures on issuers in this report see:

<https://ecommerce.barcap.com/research/cgi-bin/public/disclosuresSearch.pl>

The persons named as the authors of this report hereby certify that: (i) all of the views expressed in the research report accurately reflect the personal views of the authors about the subject securities and issuers; and (ii) no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the research report.

Investors should assume that Barclays Capital intends to seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report.

IRS Circular 230 Prepared Materials Disclaimer: Barclays Capital and its affiliates do not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

This publication has been prepared by Barclays Capital ('Barclays Capital') - the investment banking division of Barclays Bank PLC. This publication is provided to you for information purposes only. Prices shown in this publication are indicative and Barclays Capital is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. The information contained in this publication has been obtained from sources that Barclays Capital believes are reliable but we do not represent or warrant that it is accurate or complete. The views in this publication are those of Barclays Capital and are subject to change, and Barclays Capital has no obligation to update its opinions or the information in this publication. Barclays Capital and its affiliates and their respective officers, directors, partners and employees, including persons involved in the preparation or issuance of this document, may from time to time act as manager, co-manager or underwriter of a public offering or otherwise, in the capacity of principal or agent, deal in, hold or act as market-makers or advisors, brokers or commercial and/or investment bankers in relation to the securities or related derivatives which are the subject of this publication.

Neither Barclays Capital, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. The securities discussed in this publication may not be suitable for all investors. Barclays Capital recommends that investors independently evaluate each issuer, security or instrument discussed in this publication, and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information in this publication is not intended to predict actual results, which may differ substantially from those reflected.

This communication is being made available in the UK and Europe to persons who are investment professionals as that term is defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. It is directed at persons who have professional experience in matters relating to investments. The investments to which it relates are available only to such persons and will be entered into only with such persons. Barclays Capital - the investment banking division of Barclays Bank PLC, authorised and regulated by the Financial Services Authority ('FSA') and member of the London Stock Exchange.

BARCLAYS CAPITAL INC. IS DISTRIBUTING THIS MATERIAL IN THE UNITED STATES AND, IN CONNECTION THEREWITH, ACCEPTS RESPONSIBILITY FOR ITS CONTENTS. ANY U.S. PERSON WISHING TO EFFECT A TRANSACTION IN ANY SECURITY DISCUSSED HEREIN SHOULD DO SO ONLY BY CONTACTING A REPRESENTATIVE OF BARCLAYS CAPITAL INC. IN THE U.S., 200 Park Avenue, New York, New York 10166.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

Barclays Bank PLC Frankfurt Branch is distributing this material in Germany under the supervision of Bundesanstalt fuer Finanzdienstleistungsaufsicht.

© Copyright Barclays Bank PLC (2006). All rights reserved. No part of this publication may be reproduced in any manner without the prior written permission of Barclays Capital.

Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP.

Additional information regarding this publication will be furnished upon request.